

State of Wisconsin



2015 Assembly Bill 14

Date of enactment: April 8, 2015

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2015 WISCONSIN ACT 6

AN ACT *to repeal* 563.03 (4p), 563.04 (11), 563.04 (14), 563.905 (title), 563.905 (intro.), 563.908 (1), 563.908 (2), 563.909, 563.93 (2), 563.93 (2m), 563.93 (4) (b), 563.93 (8), 563.935 (3), 563.935 (10), 563.98 (1) (e), 563.98 (1c) and 563.98 (1m); *to renumber* 563.907; *to renumber and amend* 563.905 (1), 563.905 (2), 563.908 (intro.), 563.93 (1), 563.93 (1s), 563.93 (3), 563.93 (4) (a), 563.93 (4m), 563.93 (5), 563.93 (6), 563.93 (7), 563.93 (9), 563.935 (6) and 563.97; *to amend* 563.02 (1), 563.03 (4e), 563.03 (4m), 563.03 (5r), 563.03 (11), 563.03 (12r), 563.04 (2), 563.04 (3), 563.05 (2), 563.05 (3), 563.05 (4), 563.10, 563.91, 563.92 (2), 563.92 (4), 563.935 (1), 563.935 (4), 563.935 (5), 563.935 (9), 563.94, 563.95, 563.98 (1) (intro.), 563.98 (1) (f), 563.98 (1g), 563.98 (2) and 945.01 (3) (b) 1.; *to repeal and recreate* 563.05 (title) and 563.92 (1m); and *to create* 563.02 (1m), 563.03 (10m), 563.03 (14w), 563.03 (17), 563.05 (4m), 563.925, 563.93 (2g) (intro.), (a), (b), (g) and (h), 563.93 (2r), 563.93 (3e), 563.93 (3i), 563.93 (3m), 563.935 (1m), 563.935 (6) (b), 563.935 (6) (c), 563.97 (2) and 563.98 (1e) of the statutes; **relating to:** the regulation of raffles.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 563.02 (1) of the statutes is amended to read:

563.02 (1) All phases of the conduct of bingo and raffles, except bingo games using free cards and donated prizes for which no payment of consideration is made by participants, should be closely controlled by appropriate laws and rules, which should be strictly and uniformly enforced throughout this state.

SECTION 2. 563.02 (1m) of the statutes is created to read:

563.02 (1m) All phases of the conduct of raffles should be closely controlled by appropriate laws, which should be uniformly enforced throughout this state.

SECTION 3. 563.03 (4e) of the statutes is amended to read:

563.03 (4e) "Calendar" means a tabular register of days covering not less than one nor more than 12 calendar months that is ~~used or intended to be used for a~~ entitles the purchaser to one entry in each drawing in a calendar raffle.

SECTION 4. 563.03 (4m) of the statutes is amended to read:

563.03 (4m) "Calendar raffle" means a raffle for which a drawing is held and a prize awarded on each date specified in a calendar as a date upon which a prize will be awarded.

SECTION 5. 563.03 (4p) of the statutes is repealed.

SECTION 6. 563.03 (5r) of the statutes is amended to read:

563.03 (5r) "Drawing" means ~~a method of random any of the following methods for determining a winner of a game of chance:~~

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

(a) Random selection of a raffle ticket portion or calendar portion from a container housing portions of all raffle tickets or calendars purchased for the raffle, with such selection used to determine a winner; determination of a winner in a .

(b) A plastic or rubber duck race; or any other method that is used to determine a winner and that is approved by the department under s. 563.909.

SECTION 7. 563.03 (10m) of the statutes is created to read:

563.03 (10m) "Multiple-container raffle" means a raffle to which all of the following apply:

(a) One or more drawings are held and one or more prizes are awarded on the same date and at the same location.

(b) A drawing for each prize or group of prizes is made from a container specific to each prize or group of prizes.

(c) The ticket purchaser places his or her ticket in the container of his or her choice.

SECTION 8. 563.03 (11) of the statutes is amended to read:

563.03 (11) "Premises" means any room, hall, enclosure, tent, or outdoor area in which bingo is being played or a raffle drawing is being held.

SECTION 9. 563.03 (12r) of the statutes is amended to read:

563.03 (12r) "Raffle game" means a game as described under s. 563.908 (1) or a plastic or rubber duck race or other game of chance that has been approved by the department under s. 563.909 a game of chance for which tickets or calendars are sold and one or more drawings for prizes are held.

SECTION 10. 563.03 (14w) of the statutes is created to read:

563.03 (14w) "Single-container raffle" means a raffle for which one or more drawings from a single container are held and one or more prizes are awarded on one date and at one location.

SECTION 11. 563.03 (17) of the statutes is created to read:

563.03 (17) "Ticket" means an instrument that entitles the purchaser to one entry in a raffle other than a calendar raffle.

SECTION 12. 563.04 (2) of the statutes is amended to read:

563.04 (2) Conduct hearings on the suspension or revocation of a license for violation of this chapter or any applicable rules promulgated under it.

SECTION 13. 563.04 (3) of the statutes is amended to read:

563.04 (3) Promulgate rules under ch. 227 relating to the issuance, renewal, amendment, suspension, and revocation of bingo and raffle licenses and the conduct of bingo under this chapter.

SECTION 14. 563.04 (11) of the statutes is repealed.

SECTION 15. 563.04 (14) of the statutes is repealed.

SECTION 16. 563.05 (title) of the statutes is repealed and recreated to read:

563.05 (title) **Departmental duties; powers; prohibitions.**

SECTION 17. 563.05 (2) of the statutes is amended to read:

563.05 (2) The department may promulgate rules requiring holders of licenses issued under this chapter subch. III to post a notice in a conspicuous place where a bingo occasion or raffle drawing is being conducted describing the procedures for filing a complaint against the holder.

SECTION 18. 563.05 (3) of the statutes is amended to read:

563.05 (3) The department may promulgate rules specifying the number of business days within which the department must review and make a determination on an application for a permit, as defined in s. 227.116 (1g), license that is issued under this chapter subch. III.

SECTION 19. 563.05 (4) of the statutes is amended to read:

563.05 (4) The department may promulgate rules defining relating to bingo that establish procedures to be used by the department for receiving, filing, and investigating complaints, for commencing disciplinary proceedings, and for conducting hearings under this chapter.

SECTION 20. 563.05 (4m) of the statutes is created to read:

563.05 (4m) Notwithstanding s. 227.11, the department may not promulgate or enforce any rule that interprets the provisions under subch. VIII or any other provisions under this chapter that relate to raffles.

SECTION 21. 563.10 of the statutes is amended to read:

563.10 Rules governing commingling of receipts restricted prohibited. Notwithstanding ss. 227.11 (2), 227.24 (1) (a) and 563.04 (3), the The department may not promulgate any emergency rule relating to the commingling of bingo and raffle receipts unless it can clearly establish that commingling will occur without such rule and that the rule will effectively prevent commingling. The department shall set forth any such finding in its proposed rule. If upon review under s. 227.40, the court finds that the finding of fact upon which any emergency rule relating to such commingling is based is unsupported by clear and convincing evidence, the rule is invalid.

SECTION 22. 563.905 (title) of the statutes is repealed.

SECTION 23. 563.905 (intro.) of the statutes is repealed.

SECTION 24. 563.905 (1) of the statutes is renumbered 563.907 (2) and amended to read:

563.907 (2) "Local organization" means an organization Local organizations that may conduct raffles include only those organizations whose activities are limited to

this state, to a specific geographical area within this state, or to a specific geographical area that is partly within this state and partly within another state.

SECTION 25. 563.905 (2) of the statutes is renumbered 563.907 (3), and 563.907 (3) (intro.), as renumbered, is amended to read:

563.907 (3) (intro.) “Service organization” includes Service organizations that may conduct raffles include all of the following:

SECTION 26. 563.907 of the statutes is renumbered 563.907 (1).

SECTION 27. 563.908 (intro.) of the statutes is renumbered 563.908 and amended to read:

563.908 Types of Requirements of raffles allowed. A raffle may not be conducted in this state unless it is one of the following types: any winner in the raffle is determined by a drawing with all tickets or calendars having an equal opportunity to win.

SECTION 28. 563.908 (1) of the statutes is repealed.

SECTION 29. 563.908 (2) of the statutes is repealed.

SECTION 30. 563.909 of the statutes is repealed.

SECTION 31. 563.91 of the statutes is amended to read:

563.91 Limit. No qualified organization under s. 563.907 may conduct more than ~~200~~ 365 raffles or more than one calendar raffle during a year. A raffle for which one or more drawings are held on one day at one location is one raffle for purposes of this section.

SECTION 32. 563.92 (1m) of the statutes is repealed and recreated to read:

563.92 (1m) (a) The department may issue a Class A license or a Class B license to any qualified organization that applies.

(b) Under a Class A license, an organization may do all of the following:

1. Conduct single-container raffles, a calendar raffle, or plastic or rubber duck races if the raffles or races are authorized under s. 563.908.

2. Sell some or all tickets on days other than the same day as the drawing.

3. Sell equal shares of a single ticket to one or more purchasers.

(c) Under a Class B license, an organization may do all of the following:

1. Conduct multiple-container raffles or plastic or rubber duck races if the raffles or races are authorized under s. 563.908.

2. Sell tickets in either of the following ways:

a. On the same day as the drawing.

b. On more than one day if the organization distributes tickets to purchasers only at the event at which the drawing will take place.

SECTION 33. 563.92 (2) of the statutes is amended to read:

563.92 (2) The fee for a raffle license shall be \$25 and shall be remitted with the application. A raffle license

shall be valid for 12 months and may be renewed as provided in s. 563.98 (1g). The department shall issue the license within 30 ~~business~~ days after the filing of ~~an a~~ a complete application if the applicant qualifies under s. 563.907 and has not exceeded the limits of s. 563.91. The department shall notify the applicant within 15 days after it is filed if the raffle license application is incomplete or the application shall be considered complete. A complete license application that is not denied within 30 days after its filing shall be considered approved. All moneys received by the department under this subsection shall be credited to the appropriation account under s. 20.505 (8) (j).

SECTION 34. 563.92 (4) of the statutes is amended to read:

563.92 (4) ~~Proceedings to~~ The department may conduct proceedings to suspend or revoke ~~a an~~ an organization's license to conduct raffles ~~shall be initiated by the department pursuant to the rules promulgated under s. 563.05 (4) for failing to comply with the requirements of this subchapter.~~

SECTION 35. 563.925 of the statutes is created to read:

563.925 Liability. (1) With respect to a raffle conducted under a Class A license, the department shall not be held responsible or liable in any dispute regarding the ownership or sale of a share of a ticket under s. 563.93 (3i).

(2) The department and the organization conducting a raffle under a Class B license shall not be held responsible or liable in any dispute regarding the ownership of a ticket if the purchaser of the ticket gives the ticket to another person to claim a prize on behalf of the purchaser under s. 563.935 (6) (c).

SECTION 36. 563.93 (1) of the statutes is renumbered 563.93 (1m), and 563.93 (1m) (intro.) and (f), as renumbered, are amended to read:

563.93 (1m) (intro.) All ~~raffle~~ tickets and all calendars shall be identical in form and include:

(f) A list of each prize to be awarded ~~which that~~ has a ~~retail~~ fair market value of \$500 ~~\$1,000~~ or more.

SECTION 37. 563.93 (1s) of the statutes is renumbered 563.93 (2g) (e) and amended to read:

563.93 (2g) (e) ~~Each raffle ticket and each calendar sold by an organization shall include a separate~~ Print an identification number, ~~printed~~ on both the purchaser's and the organization's portion of the ticket or calendar; The tickets or calendars shall be numbered consecutively in relation to the other tickets or calendars for the same drawing.

SECTION 38. 563.93 (2) of the statutes is repealed.

SECTION 39. 563.93 (2g) (intro.), (a), (b), (g) and (h) of the statutes are created to read:

563.93 (2g) (intro.) An organization that conducts a raffle under a Class A raffle license shall do all of the following:

(a) Prominently display, at each place where tickets may be purchased, a notice describing any state or federal law that imposes an age restriction on who may possess a prize that will be awarded in the raffle.

(b) Make a good faith effort to award all of the prizes offered for a raffle. If the organization is unable to award a prize, it may hold the prize and use it for future fund-raising purposes.

(g) In raffles that involve drawings, as defined in s. 563.03 (5r) (a), place the organization's portion of the ticket or calendar in the drawing container prior to the time of the drawing.

(h) Retain the organization's portion of each ticket or calendar sold for one year after the date on which the drawing is held and provide any of these portions to the department upon request.

SECTION 40. 563.93 (2m) of the statutes is repealed.

SECTION 41. 563.93 (2r) of the statutes is created to read:

563.93 (2r) An organization that conducts a calendar raffle shall do all of the following:

(a) Print identical drawing dates and identical prize amounts for each drawing on every calendar sold.

(b) After holding a drawing, replace the winning tickets into the container to allow the purchasers the chance to win again in subsequent drawings.

SECTION 42. 563.93 (3) of the statutes is renumbered 563.93 (1e) and amended to read:

563.93 (1e) No person may sell a raffle ticket or calendar unless authorized by an organization with a Class A license.

SECTION 43. 563.93 (3e) of the statutes is created to read:

563.93 (3e) An organization that conducts a raffle under a Class A raffle license may not do any of the following:

(a) Permit another organization or individual to use its license to conduct a raffle.

(b) Resell a ticket or calendar.

SECTION 44. 563.93 (3i) of the statutes is created to read:

563.93 (3i) An organization conducting a raffle under a Class A license may not sell equal shares of a ticket unless all of the following apply:

(a) The organization does not sell more than 4 equal shares of one ticket.

(b) The organization does not offer a price discount to the purchaser of more than one share of a ticket.

(c) Each share of a ticket is identical in form to other shares and includes the organization's portion and the purchaser's portion.

(d) Each purchaser's portion of a share of a ticket includes all of the information required under subs. (1m) (a), (b), (c), (e), and (f) and (2g) (e).

(e) Each organization's portion of a share of a ticket includes the ticket identification number, an identifica-

tion letter for each share of the ticket, and a place for the purchaser to enter the purchaser's name and address next to the share identification letter.

(f) Each prize is in the form of cash or a number of items that is equally divisible by the maximum allowable number of shares of a ticket.

(g) The organization directly delivers to each holder of a share of a winning ticket his or her share of the prize.

SECTION 45. 563.93 (3m) of the statutes is created to read:

563.93 (3m) An organization that conducts a calendar raffle may not do any of the following:

(a) Sell any calendars after holding the first drawing.

(b) Change the dates of any drawings or the amounts of any prizes designated on the calendar after the first calendar is sold.

SECTION 46. 563.93 (4) (a) of the statutes is renumbered 563.93 (3e) (c) and amended to read:

563.93 (3e) (c) ~~Except as provided in par. (b), Offer tickets for a proposed raffle may not be offered for sale more than 270 days~~ one year before the date of the drawing.

SECTION 47. 563.93 (4) (b) of the statutes is repealed.

SECTION 48. 563.93 (4m) of the statutes is renumbered 563.93 (2g) (c) and amended to read:

563.93 (2g) (c) ~~The organization that conducts a raffle under a Class A license shall provide~~ Provide the purchaser of a raffle ticket or calendar with the purchaser's portion of the ticket or calendar at the time of purchase or at any time before each raffle drawing is held; ~~but need not provide it to the purchaser at the time of purchase.~~

SECTION 49. 563.93 (5) of the statutes is renumbered 563.93 (2g) (d) and amended to read:

563.93 (2g) (d) ~~All~~ Hold all drawings shall be held in public.

SECTION 50. 563.93 (6) of the statutes is renumbered 563.93 (3e) (d) and amended to read:

563.93 (3e) (d) ~~All prizes shall be awarded. The Require the purchaser of a ticket or calendar need not to be present at the drawing to win a prize.~~

SECTION 51. 563.93 (7) of the statutes is renumbered 563.93 (2g) (f) and amended to read:

563.93 (2g) (f) ~~If a raffle game is canceled, the organization shall refund~~ Refund the drawing receipts to the ticket or calendar purchasers if a drawing is canceled. The organization may not deduct from the refund a handling charge or other amount relating to the expense incurred in the sale of a ticket or calendar. The organization may not reclaim any prize awarded in a drawing that has already been held at the time a calendar raffle is canceled.

SECTION 52. 563.93 (8) of the statutes is repealed.

SECTION 53. 563.93 (9) of the statutes is renumbered 563.93 (3i) (h) and amended to read:

563.93 (3i) (h) ~~If a person who holds a Class A license sells equal shares of a single ticket to one or more purchasers for a raffle game, the person shall, prior to the date on which the organization purchases, prior to the date on which the a drawing is held, purchase any unsold shares of the ticket that have not tickets of which one or more shares have been sold.~~

SECTION 54. 563.935 (1) of the statutes is amended to read:

563.935 (1) All raffle tickets shall be identical in form.

SECTION 55. 563.935 (1m) of the statutes is created to read:

563.935 (1m) If state or federal law places an age restriction on who may possess any prize that will be awarded for a raffle, the organization conducting the raffle shall prominently display a notice describing the restriction at each place where tickets may be purchased.

SECTION 56. 563.935 (3) of the statutes is repealed.

SECTION 57. 563.935 (4) of the statutes is amended to read:

563.935 (4) No person may sell a raffle ticket unless authorized by an organization with a Class B license.

SECTION 58. 563.935 (5) of the statutes is amended to read:

563.935 (5) All raffle drawings shall be held in public.

SECTION 59. 563.935 (6) of the statutes is renumbered 563.935 (6) (a) and amended to read:

563.935 (6) (a) ~~The Except as provided in pars. (b) and (c), the purchaser of a ticket must be present at the drawing to win a prize, unless the purchaser gives the ticket to another person who may claim the prize on behalf of the purchaser, but only if that other person is present at the drawing. If the purchaser of the ticket gives the ticket to another person to claim a prize on behalf of the purchaser, the organization conducting the raffle and the department shall not be held responsible or liable in any dispute regarding the ownership of the ticket.~~

SECTION 60. 563.935 (6) (b) of the statutes is created to read:

563.935 (6) (b) Any organization conducting a raffle may, according to procedures determined by the organization, allow the purchaser of a ticket not to be present at the drawing to win a prize.

SECTION 61. 563.935 (6) (c) of the statutes is created to read:

563.935 (6) (c) The purchaser of a ticket may give the ticket to another person who may claim the prize on behalf of the purchaser, but only if that other person is present at the drawing.

SECTION 62. 563.935 (9) of the statutes is amended to read:

563.935 (9) If a raffle game drawing is canceled, the organization shall refund the receipts to the ticket purchasers.

SECTION 63. 563.935 (10) of the statutes is repealed.

SECTION 64. 563.94 of the statutes is amended to read:

563.94 Profits. All profits from raffles shall be used by the organization conducting the raffles to further the organization's purpose for existence and no salaries, fees, or profit shall be paid to any other organization or individual in connection with the operation of a raffle. This section does not prohibit the printing of raffle tickets or calendars or the purchase of equipment or prizes for a raffle.

SECTION 65. 563.95 of the statutes is amended to read:

563.95 Denial of application; hearing. Within 30 days after receiving written notification of a denial by the department of a license to conduct a raffle, an applicant may demand in writing a hearing before the department upon the applicant's qualifications and the merit of the application. ~~At the hearing, the burden of proof shall be on the applicant to establish eligibility for a license.~~ If, after the hearing, the department enters an order denying the application, the order shall set forth in detail the reasons for the denial. Upon entry of such an order or upon expiration of the 30-day period during which a hearing may be demanded, the applicant's license fee shall be refunded. If the department approves the application, the department shall issue the license within 14 days after approval.

SECTION 66. 563.97 of the statutes is renumbered 563.97 (1) and amended to read:

563.97 (1) Each organization licensed to conduct raffles shall maintain a list of the names and addresses of all persons winning prizes with a retail fair market value of \$100 ~~\$600~~ or more, and the prizes won, for at least 12 months after each raffle is conducted. The list shall be available at reasonable times for public examination and shall be provided to the department upon request.

SECTION 67. 563.97 (2) of the statutes is created to read:

563.97 (2) An organization licensed to conduct raffles shall keep an electronic or paper copy of its license that is available for any person to inspect upon request at the event during which a drawing is held.

SECTION 68. 563.98 (1) (intro.) of the statutes is amended to read:

563.98 (1) (intro.) Each organization licensed under this subchapter shall, on or before the last day of the 12th month beginning after the date on which the license is issued and on or before that same date in each subsequent year, prepare and make available for inspection a report containing the following information in writing to the department regarding the raffles which that it has conducted during the previous 12 months:

SECTION 69. 563.98 (1) (e) of the statutes is repealed.

SECTION 70. 563.98 (1) (f) of the statutes is amended to read:

563.98 (1) (f) For raffles with drawings of the type types described in s. ~~563.908 (2) 563.03 (5r) (b)~~, an accounting of all sold and unsold tickets for each raffle.

SECTION 71. 563.98 (1c) of the statutes is repealed.

SECTION 72. 563.98 (1e) of the statutes is created to read:

563.98 (1e) The department shall request a copy of a report prepared under sub. (1) only upon the receipt of a complaint regarding the conduct of a raffle.

SECTION 73. 563.98 (1g) of the statutes is amended to read:

563.98 (1g) An organization licensed under this subchapter may renew the license by submitting a \$25 renewal fee ~~with the report under sub. (1)~~. All moneys received under this subsection shall be credited to the appropriation account under s. 20.505 (8) (j).

SECTION 74. 563.98 (1m) of the statutes is repealed.

SECTION 75. 563.98 (2) of the statutes is amended to read:

563.98 (2) ~~If a copy of the financial report is not filed or is not fully, accurately and truthfully completed, or if the fee specified in sub. (1g) is not paid, the department may refuse to renew a license or may suspend a license until the report in proper form has been filed or the fee is paid.~~

SECTION 76. 945.01 (3) (b) 1. of the statutes is amended to read:

945.01 (3) (b) 1. A device used in conducting a bingo occasion or raffle ~~game~~ under ch. 563, used in conducting a lottery under ch. 565, or used in conducting a race under ch. 562.

SECTION 77. Initial applicability.

(1) This act first applies to an application for a raffle license filed with the department of administration on the effective date of this subsection.

SECTION 78. Effective date.

(1) This act takes effect on the first day of the 3rd month beginning after publication.